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APRIL 1, 1986 to
MARCH 31, 1987

# ACCESS NETWORK

FOURTEENTH ANNUAL REPORT

THE ALBERTA EDUCATIONAL COMMUNICATIONS CORPORATION

ACCESS NETWORK is the trade name of The Alberta Educational Communications Corporation. The Corporation was established by provincial statute assented to May 10, 1973, and proclaimed October 17, 1973. Its purpose is to provide a framework within which educational broadcasting and the development, production, and distribution of educational programs and materials can take place. ACCESS NETWORK is funded by a provincial government grant and self-generated revenues.

## Awards won by the Corporation, 1986-87

**AMTEC Media Festival**, June 14-18, 1986
*CANADIAN LITERATURE*: "Perspectives"
Award of Excellence—Video and Panasonic Video Award for Best Overall Professional Video

**AMPIA**, March 21, 1987
*TYPE IT UP!*
Best Educational Program

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EDMONTON

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ACCESS NETWORK

# LETTER OF TRANSMITTAL

June 26, 1987

Hon. Leslie G. Young
Minister - Technology, Research and
Telecommunications
404 Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Mr. Young:

Further to the requirements of the Alberta Educational Communications Corporation Act, RSA 1980 Chapter A-18, Sec 12(2) as amended by the Alberta Educational Communications Amendment Act, 1981, Chapter 1, which states:

> "The report under subsection (1) shall be laid before the Legislative Assembly, if it is then sitting, and if it is not then sitting, within 15 days after the commencement of the next ensuing sitting."

It is a pleasure to provide the report for your review and for filing before the Legislative Assembly.

Yours truly,

Jim Woronuik
Chairman, Board of Directors

Peter L. Senchuk
President and Chief Executive Officer

# BOARD OF DIRECTORS

**Clem Collins,**
Vice-Chairman,
Grande Prairie

**Jim Woronuik,**
Chairman,
Edmonton

**Bill Hunchak,**
Wetaskiwin

**Kate Richmond,**
Calgary

**Ken Murricane,**
Edmonton

**Mary Stephenson,**
Grande Cache

**Des Berghofer,**
Edmonton

(absent)

**Adrien Bussiere,**
Edmonton

**Harlan Hulleman,**
Red Deer

**John Keast,**
Taber

**John McKay,**
Calgary

**Janet L. Ramsey-Brown,**
Stavely

**Don Bahnuik,**
Edmonton

**Lucille Schmidt,**
Edmonton

**Glen Buick,**
Edmonton

**Peter L. Senchuk,**
President and Chief Executive Officer

**Roberta M. Gamble,**
Secretary to the Board

# PRESIDENT'S MESSAGE

ACCESS NETWORK, Alberta's educational communications organization, again responded to the lifelong learning needs of Albertans of all ages, by providing a wide range of formal and informal multi-media educational services in 1986/87.

In a time of financial constraint, it became very important to explore new sources of revenue. A major step towards fund-raising was the establishment of a Revenue Development Department. Corporate underwriting of ACCESS NETWORK programming was introduced. Public membership support was also initiated. Co-sponsorship of ACCESS NETWORK activities and projects continued to provide opportunities for both public and private sector organizations, agencies, and government departments to be involved in co-operative ventures.

In the area of Formal Learning - Children/Youth, ACCESS NETWORK assisted Alberta Education to meet the demands of its diverse programming requirements. Support services included teacher in-service training, early childhood education, second language instruction, and special education services. An Educational Communications Advisory Committee, comprised of representatives from Alberta's post-secondary institutions, further education councils, Alberta Advanced Education, and ACCESS NETWORK established priorities for the Formal Learning - Adult Unit. In keeping with ACCESS NETWORK's emphasis on adult distance learning opportunities for Albertans, telecourses remained a high priority.

ACCESS NETWORK's informal television programming enjoyed a year of firsts. Audience research resulted in changes to *HOMEWORK HOTLINE*, co-produced by ACCESS NETWORK and The Alberta Teachers' Association. For the first time in North American history students were tutored in science via television and telephone, when this subject area was added to math and language arts. *BABY'S BEST CHANCE*, an extremely popular series, offered prospective parents the opportunity to participate in prenatal classes in their homes.

This second year of broadcast for ACCESS NETWORK television included many outstanding specials and broadcast firsts, including the North America première of the series *OIL*, and the Alberta première of *WAGNER, NAPOLEON AND LOVE*, and *THE BAKER STREET BOYS*. Operas were also introduced.

ACCESS NETWORK's Educational Technology Centre continued to develop projects on the leading edge of technologies for distance learning. This was accomplished by using satellite and other advanced training concepts, particularly in the area of videodisc interactive technology systems.

CKUA AM•FM radio met its programming commitment to its many diverse audiences this year while being challenged by fiscal restraint and a review of the role of the service. A momentous occasion occurred in September when *CONTINENTAL MUSICALE* completed 40 years of continuous broadcast. It qualified its host and producer, Gaby Haas, for The Guiness Book of World Records as the longest continuously running radio program with the same host, station, and time slot.

The commitment, challenges, and successes of 1986/87 could not have been realized without the creativity and dedication of ACCESS NETWORK personnel. Through their initiative and ingenuity, quality educational, cultural, and informational materials were produced during a time of financial constraint and manpower reduction. I extend to them my thanks and appreciation.

The invaluable direction and support of the Board of Directors and the Government of Alberta was also very much appreciated.

Peter L. Senchuk
President and Chief Executive Officer

# CORPORATE ADMINISTRATION

## PLANNING, MARKETING AND PROGRAM RESEARCH

As well as assisting the Corporation in the corporate planning area, Planning, Marketing and Program Research provides research-based guidance regarding the development, production, distribution, and utilization of ACCESS NETWORK programs and services.

During the reporting year, this Department's work included:

- marketing studies to determine the sales potential in Canada and the United States of specific major television series, as well as content and production treatment required to meet the needs of these external markets, e.g. *VOLUNTARY SECTOR LEADERSHIP* Study;
- providing various internal committees (e.g. Acquisition Preview Screening Committee, Executive Committee, Board of Directors, Development/Production Review Committee) with research-based information to facilitate decision making that takes into account audience and market factors;
- advertising and promotions research, largely conducted with focus groups, aimed at determining the most effective approach to achieve positive audience response to various aspects of ACCESS NETWORK's on-air television appearance (e.g. corporate logo, graphics, program previews);
- audience studies to maintain and develop ACCESS NETWORK's radio and television audiences, and to provide audience profiles for Corporate Underwriting activities (e.g. 1987 ACCESS NETWORK General Audience Study which examined audience size, frequency of viewing, program interests, demographics, lifestyles); and,
- an increased level of formative research to provide information relevant to a wide range of content and production treatment decisions required by project teams (e.g. *DISCOVERY DIGEST, GRAPHING MATHEMATICAL CONCEPTS, HOMEWORK HOTLINE*).

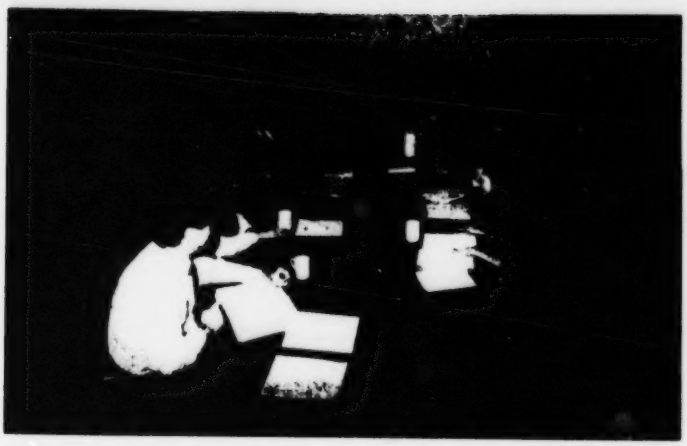
## REVENUE DEVELOPMENT

The amalgamation of all fund-raising activities under a new Revenue Development Department is the result of a major new initiative by ACCESS NETWORK to seek additional sources of revenue to enhance programming on the television and radio service. The Department's responsibility is to carry out activities in the areas of Membership, Corporate Underwriting, and Program Sales. The purpose of consolidating the three areas is to co-ordinate all fund-raising efforts. It also allows the Corporation to concentrate its sales efforts in new and changing markets.

Program sales has been a source of revenue for the Corporation for several years, and has maintained moderate growth throughout this period of restructuring. During this fiscal year, the distribution of ACCESS NETWORK programming was brought in-house, a move which necessitated the development of sales strategies, a comprehensive and attractive video marketing catalogue, and strong presentations to new instructional television markets in the United States. Research into existing inventory revealed additional marketable programs, and new directions were taken to provide a solid base for expansion in the future.

Underwriting, or program sponsorship by corporations, was a fresh direction in fund-raising that began during this reporting period. The concept of approaching corporations for financial contributions was introduced by working with corporate donations offices to create awareness of ACCESS NETWORK's ability to provide on-air recognition for participating corporate underwriters. Large-scale mailings were used to solicit support, and early indications suggest that the concept has been well received. To improve the fund-raising potential in this area, progress will be monitored closely to allow for modifications in approach methods.

A totally new initiative for Revenue Development was the establishment of the Membership Unit, providing an opportunity for viewers of the television service, and listeners of the CKUA AM•FM radio service, to financially contribute to programming. The first appeal to Albertans for their contributions was a membership reply card inserted in the winter/spring 1987 *ACCESS NETWORK Times* television and radio guide. Planning for the first



New directions in fund raising are established by Revenue Development. From left, Robyn Braley, Account Executive, Jailan Megalli, Sales Executive, Harvey Lubin, Manager of Membership, Pam Shanks, Director of Revenue Development, Rita Seidel, Secretary, Sandra McManus, Co-ordinator of Membership.

on-air membership campaigns for both television and radio commenced during the fourth quarter of the year. The highly successful campaigns of other educational services are an indication that ACCESS NETWORK can expect solid growth in revenue from memberships.

The fund-raising venture was successfully launched during 1986/87 due to the establishment of the new Revenue Development Department, research and planning efforts, and the commitment of the Corporation to the potential of fund-raising activities. With the continued co-ordination of these efforts, Revenue Development plans to make a substantial contribution to ACCESS NETWORK programming.

## CORPORATE AFFAIRS AND LEGAL SERVICES

Corporate Affairs and Legal Services co-ordinates and provides legal services to the Corporation in all of its activities, particularly in the areas of broadcasting, contract, copyright, employment, and labour law. The Department advises the Corporation on applicable federal and provincial legislative and regulatory changes, and makes written and oral submissions to legislative and regulatory bodies as required. It is responsible for all matters under the purview of the Canadian Radio-television and Telecommunications Commission (CRTC), such as television and radio licensing requirements and broadcast policy.

During the reporting year, this Department's work included:

- contract drafting and review including contracts relating to program production, co-production, copyright and program licensing and leases;
- provision of legal advice and opinions to the Corporation as required;
- liaison with the CRTC and preparation of documentation on licensing and regulatory matters. In particular, an application for a new English- language television station in Edmonton was approved in December, 1986, an application to operate an FM broadcasting undertaking at Banff was approved in November, 1986, and an application to operate CKUA-FM using subsidiary communications transmitters (SCMO) for the purpose of data transmission was approved in December, 1986. In addition, the Department commenced preparation of a lengthy application for renewal of the Corporation's television network licence;
- the study and consideration of the provisions of the Report of the Caplan-Sauvageau Task Force on Broadcasting Policy and its effect on ACCESS NETWORK, and through its staff, acted as moderator at a public forum considering the recommendations of the Task Force;
- the study and consideration of the first report of the House of Commons Standing Committee on Broadcasting, and as a participant of the Association for Tele-Education in Canada (ATEC), made a written submission to the Standing Committee reflecting its concerns;
- the monitoring and consideration of the revisions to the Copyright Act and provision of input to the response of Alberta Intergovernmental Affairs to the federal government; and,
- filing a written submission to the CRTC and making an oral submission at the CRTC hearing at Hull in April, 1986, on the proposed new Cable Television Regulations.

# EDUCATIONAL TECHNOLOGY AND ADMINISTRATION DIVISION

During the reporting year, the Division continued to improve its efficiency and effectiveness in both educational and administration service areas through the optimum use of available human, financial, and facility resources.

The Educational Technology Department, which consists of Formal Learning-Children/Youth and Adult Units, the Educational Technology Centre, and the Media Resource/Dubbing Centre, emphasized the Corporation's role in the development, production/acquisition, and distribution of multi-media educational materials for Alberta's educational community.

The Administration Department included the Corporation's main support services which are Personnel, Information Systems, Office Services, Financial Services, and Project Accounting. All of the units have endeavored to improve corporate accountability under continued financial restraint.

## FORMAL LEARNING—CHILDREN/YOUTH

Acquisition and production activities for the Formal Learning—Children/Youth Unit are directed, in large measure, to address the priority needs identified by Alberta Education. Recently, priority has been placed by the Department on resources to support teacher in-service training, early childhood education, second language instruction, and special education services. The following projects, completed in 1986/87, are of notable interest:

*DRAMA REFERENCE*
13 programs x various lengths

An eagerly awaited video series, accompanied by a *Teacher's Guide* and resource manual, for teachers of elementary drama;

The popular series *HARRIET'S MAGIC HATS* provides children with the opportunity to learn about their community through the adventures of Vicky and Ralph the parrot.

*JUNIOR HIGH HEALTH*
1 program x 30 minutes
5 programs x 15 minutes

A complete in-service package with video programs and *Teacher's Guide*. Transparencies and duplication masters are included to produce copies of classroom resource materials as required;

*SECONDARY PHYSICAL EDUCATION*
9 programs x various lengths

Junior and senior high school physical education in-service series with accompanying planning chart, *Teacher's Guide*, and transparency masters for classroom resources;

*LEARNING*
1 program x 40 minutes

A program and *Utilization Guide* produced for Early Childhood Services (ECS) educators and parents, which explores the variations in learning styles among individuals, and the teaching strategies appropriate to some of those learning styles; and,

*BREAKING THE UNSEEN BARRIER: Teaching the Learning Disabled*
3 programs x 30 minutes

A co-operative venture, this series with accompanying print support, was funded from Formal Learning—Children/Youth, Formal Learning—Adult, and external sources. These programs have been produced for use with the *Alberta Education Learning Disabilities Manual* in workshop settings.

Second language instructors now have two new resources translated from English to Ukrainian. *UKRAINIAN SOCIAL STUDIES GRADES 1-6*, a series of 41 audio programs and 11 print booklets, and the *UKRAINIAN FOLKTALES* guide, are now available.

Recently produced curriculum resources include:

- two co-operative ventures between ACCESS NETWORK and The Alberta Correspondence School. *TYPE IT UP!* was chosen as the best educational program at the 1987 Alberta Motion Picture Industry Awards (AMPIA). *GRAPHING MATHEMATICAL CONCEPTS* was selected for North America-wide previewing via satellite during Sat Screen '87;
- all six video programs of *PATHS OF DEVELOPMENT* translated into the French language. ACCESS NETWORK has received a $112,350 grant from the Canadian International Development Agency (CIDA) to complete IBM and French-language versions of the computer simulation game and an adapted version of the original English-language video series for grade eight students; and,
- 13 new programs, a *Utilization Guide*, and posters for *HARRIET'S MAGIC HATS 4*, and 13 new programs for *MAGIC RING II*.

Awarded Best Educational Program at the 1987 Alberta Motion Picture Industry Awards (AMPIA), *TYPE IT UP!* utilized humour to teach typing basics.

## FORMAL LEARNING—ADULT

With the support of Alberta's 26 post-secondary institutions and 85 further education councils, the Formal Learning—Adult Unit continued to pursue lifelong learning opportunities for its adult audience.

Representatives of Alberta's universities, colleges, institutes of technology, vocational centres, and further education councils met regularly with Alberta Advanced Education and ACCESS NETWORK, as the Educational Communications Advisory Committee, to determine priorities for adult education. The demand for acquired and produced television and radio telecourses, broadcast on behalf of post-secondary institutions, remained a high priority and has resulted in the completion of the 13-part series, *ABOUT WOMEN*, and the first three programs of *BREAKING THE UNSEEN BARRIER: Teaching the Learning Disabled*. To assist post-secondary institutions in conducting more effective telecourses, this Unit hosted a utilization workshop which was well attended and received.

The quality of several series was enhanced through co-production activities with the Open University/British Broadcasting Corporation (*SEDIMENTARY PROCESSES AND BASIN ANALYSIS*), Knowledge Network and selected British Columbia colleges (*VOLUNTARY SECTOR LEADERSHIP*), Manitoba Department of Advanced Education (*JOURNEYWORKERS*), Alberta Law Foundation (*YOU AND THE LAW*), and Alberta Environment (*WATER IN ALBERTA: The Living Flow*).

The diverse number of completed adult education projects include the "English for Life and Work" videodisc package. To train unskilled nursing home attendants in proper

patient care techniques, *PERSONAL CARE AIDE*, a 10-hour audio series, was completed for the Alberta Vocational Centres. Production was underway on *JOURNEYWORKERS*, a comprehensive video and print package designed to address the adult literacy problem in North America. Research studies were undertaken for competency-based, self-instructional material, provincial careers information, and computer software services.

## EDUCATIONAL TECHNOLOGY CENTRE

Due to the continuing efforts of the Educational Technology Centre, ACCESS NETWORK is considered a leader, provincially and nationally, in the rapidly growing field of interactive video systems.

Its predecessor, the Instructional Technology Unit, produced, developed, and utilized interactive technologies, and pioneered the introduction and use of computers in Alberta's schools. This was accomplished primarily through computer workshops and internships with teachers and instructors. As computer literacy increased, the need for this service diminished, with the result that the Centre now concentrates on the production of interactive video materials.

Operational since the summer months of the reporting period, the Centre's five staff members completed the Level III coding (control from an external source) for the "English for Life and Work" interactive videodisc package. Now being field-tested, it is anticipated that the interactive videodisc package will be available for purchase during the fall of 1987.

A point-of-information computer videodisc system for the Peter Lougheed Provincial Park Visitor Centre in Kananaskis Country is to be completed and installed in July, 1987. This Level III format (with graphics, text, and animation) videodisc system uses a Sony 1000A videodisc player, interfaced with a Sony KTX 1350 microcomputer.

A quarterly newsletter was introduced during this reporting period. The newsletter informed ACCESS NETWORK staff, as well as external clients, such as post-secondary institutions and government departments, of the Educational Technology Centre's activities.

Lennea Durant, Order Processor, processes one of the 66,723 video dubs requested and completed this year by the Media Resource/Dubbing Centre.

## MEDIA RESOURCE CENTRE

October, 1986, was the busiest month in the history of the Media Resource/Dubbing Centre (MRC), with the completion of approximately 9,000 dubs.

A large number of those dubs were in two of the most popular subject areas, elementary grade programs and teacher in-service. Our clients requested a total of 66,723 video and 18,221 audio dubs, an increase over last year of seven and 33 per cent respectively. From a selection of 220 teacher guide/print support titles, 47,641 copies were distributed to schools and educational institutions.

In February, 1987, it became necessary to operate the MRC dubbing service on a cost-recovery basis. For both the duplication and distribution processes, a fee schedule was

introduced, and an incentive program, aimed at easing the transition to user fees, offered ACCESS NETWORK clients a limited number of free dubs for the duration of the 1986/87 fiscal year.

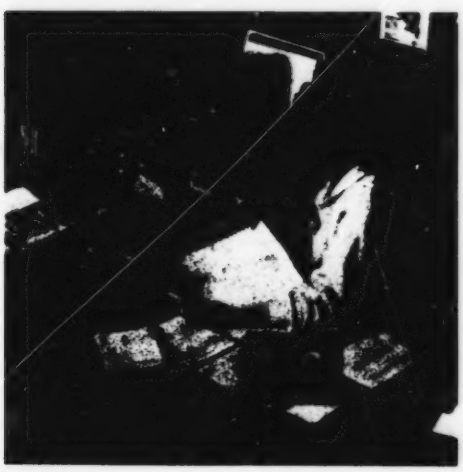
The number of requests for Apple computer software programs (11,569) and accompanying print support books (9,289) remained consistent from previous years.

The MRC maintains the ACCESS NETWORK centralized library containing some 12,849 documents comprised of books, periodicals, curriculum guides, government documents, computer manuals, and teacher guides. It also has 4,397 video programs and 166 Apple computer programs which are available for viewing by clients.

## FINANCIAL SERVICES

The Financial Services Unit co-ordinates the preparation and distribution of the payroll, continues to review budgeted and actual expenditures, and maintains a fixed asset control system. Timely and accurate information is essential to the planning and management of the total Corporation, and the activities of its various cost centres.

For the 1986/87 fiscal year, the Corporation's provincial government grant was $16,319,000. Of this amount, $15,019,000 was allocated to operating expenses, and $1,300,000 to capital purchases. Additional income of $1,450,525 was raised during the year, mainly from co-production agreements, program sales, and interest on investments.



Karen King, Accounts Clerk, Financial Services Unit, reconciles the bank statement to the General Ledger on a monthly basis.

Total revenue was $16,469,525, while total expenses were $17,752,942. The resulting deficiency of revenue over expense for the year was $1,283,417. When deducted from the previous year's equity, the total operating equity at year-end became $130,114.

The audited Financial Statements for the fiscal year ended March 31, 1987, are presented, together with the Schedule of Private Sector Shares, on pages 20 to 27.

## INFORMATION SYSTEMS

The Information Systems Department enjoyed a highly productive and exciting year that included the completion of a strategic plan which reviewed the Corporation's computing environment and established long-range goals, objectives, and systems architecture.

The plan recommended the replacement of the Corporation's IBM 4331 with an IBM System/38 and the acquisition of new accounting software to support Financial Services. The System/38 was installed in November and the new accounting software conversion project, which began in November, was successfully completed in February. As a result, the Corporation was able to achieve lower overall departmental operating costs through improved hardware price performance, improved productivity, reduced staffing requirements, and lower software acquisition and maintenance costs.

The strategic plan also identified future application requirements including the Media Resource Centre data base, Order Entry, Copyright, Broadcast Scheduling, CKUA AM•FM Newsroom, CKUA Music Library, and Office Automation.

## PERSONNEL SERVICES

The role of the Personnel Services Unit is to develop and administer a wide range of employee programs which enable the Corporation to attract, develop, and retain qualified employees. The Corporation's most valued resource is its team of employees who, working together, supply the creative, technical, and administrative skills that are essential in providing the many services ACCESS NETWORK delivers to Albertans.

ACCESS NETWORK is proud of the fact that half of its employees have been with the Corporation for more than five years, and, of these people, 29 have over 10 years of service. This year, the dedicated service of two employees was recognized as Alf Franke, Technical Producer, CKUA AM•FM, and Tito Margiotta, Operations Manager, Edmonton, were awarded 25 and 15 year pins respectively under the Corporation's Service Awards Program.

The Corporation's negotiating team was successful in arriving at a contract settlement with IBEW Local 348 early in the year. As a result of these negotiations, revisions to the Position Classification and Compensation Structure were made.

Chris Melvin, Personnel Manager, and Pauline Blackburn, Personnel Officer, develop and administer a wide range of employee programs.

A new Performance Appraisal and Merit Pay Compensation Program for management and professional employees was developed and approved for future implementation by the Board of Directors. The new program will result in more comprehensive work planning and objective setting for employees. As well, it will reward employees with salary adjustments which reflect their contribution to the Corporation.

Financial restraint at ACCESS NETWORK during the year resulted in reductions in the workforce through attrition and layoffs. Employees affected by the layoffs were provided with career and pre-employment counselling.

# TELEVISION DIVISION

Over the past year, the Division continued to concentrate on improving the television service as well as the video production capabilities of the Corporation.

The television service, now just over two years old, made every effort to present to Albertans some of the finest educational, cultural, and informational programming available in the world today. In addition, the Division played a major role in the development and production of a wide range of exciting, educational ACCESS NETWORK programs.

## INFORMAL LEARNING/ TELEVISION

The Informal Learning/Television Department begins a television project with a concept, which is then measured against the needs of our viewing audience.

Five concepts that became television projects of significance this year were:

Working in off-line editing are Keith Barbutza, Director, and Wade Coonfer, Editor.

*HOMEWORK HOTLINE*
66 programs x 90 minutes

Audience research led to several changes in the second year of this teacher/tutor/telephone/television series, co-produced by The Alberta Teachers' Association, for Alberta's junior high school students. The colourful new set called for a laboratory where, for the first time in North American history, students were tutored in science via television and telephone. The addition of 30 minutes of science to the existing math and language arts segments extended the program length to 90 minutes, and increased weekly calls to between 300 and 400. The most well-received seasonal special was a tribute to Rick Hansen, which included an interview and lessons based on the "Man in Motion" tour. On February 17, *HOMEWORK HOTLINE* broadcast its 100th program—a first for an ACCESS NETWORK series.

*DISCOVERY DIGEST*
13 programs x 30 minutes

One of the most popular ACCESS NETWORK series, *DISCOVERY DIGEST*, completed its second year of production with a new host, a new set, and a new approach in program content. While the programs continued to

feature Alberta-based stories on research, scientific, technological, and agricultural developments, the stories were more concise and focused at a more general audience. New elements added to the series include; Great Inventions, a regular weekly segment on new Alberta inventions, and Neil's Spiel, an explanation of scientific concepts in terms that everyone can understand.

## BABY'S BEST CHANCE

*BABY'S BEST CHANCE*
13 programs x 60 minutes

*BABY'S BEST CHANCE* offered prospective parents an opportunity to participate in prenatal classes in the comfort of their own homes. Viewer response to the series was extremely positive. For example, during one program a telephone tally, supplied to ACCESS NETWORK by Alberta Government Telephones, indicated that 1,300 attempts were made to reach the panel of experts that were a part of each program. By broadcast standards, this is a phenomenal response.

*COUNTDOWN TO EXPO '86*
2 programs x 60 minutes,
1 program x 30 minutes

Before EXPO '86 officially opened on May 2, ACCESS NETWORK was on site in Vancouver to put Albertans in touch with the World's Fair events. *COUNTDOWN TO EXPO '86*, a 60-minute program broadcast on April 27, employed satellite television and a toll-free telephone line to communicate between hosts in Vancouver, an Edmonton studio audience, and viewers across the province. On May 19, the success of *COUNTDOWN TO EXPO '86* was followed by *ALBERTA DAY: A Special Report*.

Tracey Hoyle, Traffic Clerk, Acquisitions and Scheduling Department, pulls tapes for the daily broadcast schedule.

This 30-minute program included an interview with Premier Don Getty and several special interest features about EXPO and the Alberta Pavilion. *EXPO '86 UPDATE*, the third program to be taped in Vancouver, was hosted by Fil Fraser and broadcast July 7.

*TRUE NORTH: Strong and Free?*

Canada's defence system and the arms race were debated at length by scientists, politicians, and activists at the *TRUE NORTH: Strong and Free?* conference held in Edmonton, November 8 and 9. ACCESS NETWORK taped and edited highlights of the conference into a package of five 60-minute programs, which were broadcast November 17—21.

## ACQUISITIONS AND SCHEDULING

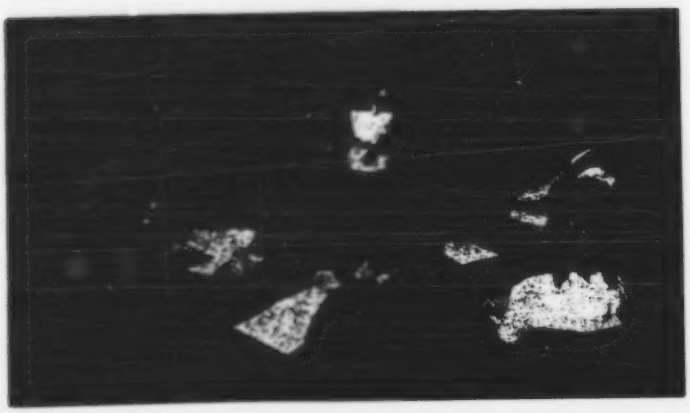
In pursuit of the diverse programming requested by ACCESS NETWORK viewers, the Acquisitions and Scheduling Department reviewed approximately 1,400 hours of programming from Canada and around the world, to locate and purchase video programming for the ACCESS NETWORK 1986/87 television broadcast schedule. In addition, the Department obtained duplication rights for non-broadcast programming for use by Alberta educators. The result was a large number of exciting acquisitions: 1,368 (700 hours) of informal programming; 150 (50 hours) of formal programming; and 42 (88 hours) of radio programming. Among the acquired and scheduled series requested by viewers were *A FAMILY AT WAR, BRIDESHEAD REVISITED, THE WIND IN THE WILLOWS*, and *MAPP AND LUCIA*.

It was a year of broadcast firsts for Acquisitions and Scheduling. The first-play North American broadcast on ACCESS NETWORK of the series *OIL* was made possible by Chieftain Developments Co. Ltd., who provided funding for the purchase of the Canadian rights to the series. First-play Alberta broadcasts were obtained with several performance dramas such as *WAGNER*, *NAPOLEON AND LOVE*, and *THE BAKER STREET BOYS*. ACCESS NETWORK introduced the broadcast of operas during this reporting period. *THE BEGGAR'S OPERA*, broadcast in November, was followed by two Glyndebourne Festival Operas, *ORFEO AND EURIDICE* and the *BARBER OF SEVILLE*, both of which were broadcast in December.

## BROADCAST PROMOTIONS

The Broadcast Promotions Unit developed a comprehensive plan to promote the television service. A primary aim was to deliver on-air announcements of upcoming programs in time-slots when their intended audiences would be viewing. Emphasis was also placed on improving the quality of on-air promotions. This included the introduction of a consistent graphic style to provide continuity. Further, the volume of promotional material produced and broadcast was increased. The Unit initiated regular promotion of the television service on CKUA AM•FM and provided video promotional materials to interested cable companies for use on related preview channels.

Planning of resources and facilities during a Calgary television production meeting. From left, Bill LeTouzel, Producer/Director, Bob Swift-Hill, TV Writer/Researcher, Dario Argento, TV Director, Margo Frizzell, Copyright Assistant, Vic Marsh, Calgary Station Manager, Margaret Meade, Associate Director of Formal Learning.



## CALGARY PRODUCTION

The Calgary Production Department provides staff and facilities to support production and post-production activities associated with assigned formal and informal learning projects.

A number of formal and informal projects of varying complexity and length were completed this year. *TYPE IT UP!*, *THE MAGIC RING II*, *HARRIET'S MAGIC HATS 4*, and *SECONDARY PHYSICAL EDUCATION*, were formal productions and *CANCER PREVENTION: Now for the Good News*, *CANCER: An Epidemiological Approach*, *SPECIAL EDITION—World Class*, and *WALSH*, were informal. The 60-minute drama *WALSH*, the most complex single program produced by this Department, utilized a full production crew, a large cast, and was completed on schedule. The program gave many staff members their first opportunity to become involved in a major dramatic production.

Six facilities assignments, requiring 150 man-hours, were accepted during this fiscal year. These involved providing assistance to educationally related agencies and institutions in assembly or videotape editing, videodisc mastering, film editing, and graphic creations.

The addition of Digital Video Effects (DVE) equipment to the video editing suite further increased the capability of this state of the art facility. In concert with the recently upgraded computer editing system, the DVE is capable of manipulating a video image in any number of ways to create high impact visual effects and graphics that capture the viewer's attention and help to reinforce the educational content of many projects completed this year.

The challenge of improving quality and maintaining an efficient and effective state of the art post-production facility, in a climate of fiscal restraint, was met by the technicians. During the past year, the technicians designed and built, at a cost of less than $4,000, equipment such as machine interface devices, routing equipment, controllers, and time code readers necessary to keep the system fully operational. This same equipment, if purchased from regular suppliers of brand name products, would have cost in excess of $53,000.

An increasing number of private sector services, personnel, and ACTRA members have been engaged in ACCESS NETWORK productions. Every project requires free lance services in some capacity, and the co-operative interaction between ACCESS NETWORK staff and Alberta's free lance community further enhanced programming through the exchange of new ideas and skills.

## EDMONTON OPERATIONS

The Edmonton Operations Department is comprised of four distinctive operating facilities: Broadcast Services, Production Services (Studio and Mobile), Electronic Field Production (EFP), and Post-Production. Each facility plays an important role in the production or broadcasting of television programming.

### Broadcast Services

ACCESS NETWORK broadcasts to Albertans over the ANIK C-3 satellite and is distributed over most cable systems. The operation is equipped with the latest in computer and video technology. This system has allowed for minimal manpower while broadcasting 15.5 hours daily, seven days per week.

Setting the scene. . .preparing the Edmonton studio facility for production are Bernice Hinse, Glenn Wiun, and Trevor Wilson, Edmonton Operations Department.

### Production Services (Studio and Mobile)

ACCESS NETWORK's Edmonton studio facility operates with three versatile and reliable computerized cameras, four one-inch videotape recording machines, one 36-input audio board, and a recently introduced Digital Video Effects (DVE) unit. The studio facility accommodates interactive, magazine-format, and interview programs that range in production difficulty from straightforward to complex. All forms of variety programming can be recorded within the studio environment.

For programs that require out-of-studio on-location recording, the television mobile unit is utilized. This unit is fully equipped with audio, video, lighting, and portable power equipment, and is capable of operating with up to four cameras.

### Electronic Field Production Unit (EFP)

The EFP Unit travels throughout Alberta to record original video footage for ACCESS NETWORK productions. The accumulated video footage, which is later edited, comprises the programming for broadcast. The single camera Unit team records all video material on one-inch videotape. When required, the EFP Unit can operate with the studio or mobile production Units to increase their operating capacities.

### Post-Production

The Post-Production facility incorporates off-line and on-line systems. The off-line system is comprised of two 3/4-inch video machines that are used to assemble program rough cuts. The equipment complement is made up of one Convergence edit controller and an Apple II computer. The computer program was designed and developed internally to permit the two incompatible systems to communicate.

The on-line system is used for the final programming assembly. The sound and video mixes occur while the program material is being edited into its final form. The equipment complement consists of three one-inch computer-assisted video recorders, one video switcher, a DVE unit, and full audio support facilities. Emphasis is placed on creating new uses for available technology. The hours required to manually input repetitious edit commands between the off-line and on-line facilities have been eliminated with the use of the computerized transfer system.

## TECHNICAL SERVICES

Technical Services supports all areas of the Corporation with significant emphasis on the Edmonton Operations Department. Equipment examination, recommendations, procurement, installation, and maintenance are provided by the Department. The technical equipment used by the Department for monitoring and testing purposes is state of the art.

The quality and diversity of ACCESS NETWORK productions creates challenging opportunities for, and requires optimum involvement of, the Edmonton Operations and Technical Services crews.

Maintenance of state of the art equipment, Paul Limneos, Technician.

## COMMUNICATIONS

The major objective of the Communications Department continued to be to create public awareness, throughout Alberta, of the unique learning opportunities available through the wide range of educational, cultural, and informational multi-media services produced by ACCESS NETWORK. This was accomplished by creating, implementing, and evaluating public relations, media relations, promotional, and advertising plans.

For the first time, *The ACCESS NETWORK Times*, a comprehensive daily schedule of television and radio programming, targeted to general viewers and listeners, was published in the fall of 1986. Two schedules were produced and distributed to approximately 13,000 Albertans during this reporting period. The *ACCESS NETWORK Audio/Video Prospectus of School-Related Programming* was also published and distributed to all educational institutions in the province in September, 1986.

A new media relations program was implemented this year to improve the way in which media throughout the province are kept in touch with the content and schedule of ACCESS NETWORK programming and services, as well as to provide corporate information when required. The program was well received by the media, resulting in a significant increase in print publicity of ACCESS NETWORK programming. Program specific advertising for the television service was placed weekly in television guides across Alberta.

Telecourses were promoted in the further education council publications throughout the province, as well as in special course supplements in major newspapers.

Communications provided strong promotional support to Program Sales. The Department produced the *1986/87 Video Catalogue*, used for the out-of-province marketing of ACCESS NETWORK programming. Program Sales information pages, also used in program marketing activities, were prepared for *SMOKING AGAINST YOUR WILL, THE MAGIC RING II, PATHS OF DEVELOPMENT, JUNIOR HIGH HEALTH, DRAMA REFERENCE, NEIGHBOURS: A Training Program for Community Volunteers*, and *SECONDARY PHYSICAL EDUCATION*. The Department prepared the *Program Information Guide* for use by Program Sales at the "FIRSTVIEW '86" conference.

Promotions were completed for *NETWORTH, BABY'S BEST CHANCE*, and *HOMEWORK HOTLINE*. A direct mail promotion was created for *DISCOVERY DIGEST* to encourage Albertans to submit program ideas about discoveries and new technologies.

Of prime importance to Communications was the promotion of *HOMEWORK HOTLINE*, ACCESS NETWORK's "homework help" program for junior high school students. Information on *HOMEWORK HOTLINE* was distributed to 106,000 junior high school students across the province.

A co-operative advertising campaign between ACCESS NETWORK and British Columbia's Knowledge Network was produced for the television series *OIL*. A news conference, attended by Alberta media, was held in Calgary in February to promote the series.

Promotional activities completed for CKUA AM•FM included media releases and advertising for programming, as well as special events, such as the 40th anniversary of Gaby Haas's program *CONTINENTAL MUSICALE*, and the creation of the Gaby Haas Bursary at Grant MacEwan Community College. Information and schedules on programming were also produced and distributed to listeners and media.

Norma-Jean Barr, Communications Manager (right), and Carol McKnight, Communications Officer, develop a promotion plan for ACCESS NETWORK programming.

The responsibilities of the Communications Department continued to expand beyond the advertising and promotion function to include corporate public relations and internal communications.

## COPYRIGHT

ACCESS NETWORK programming incorporates music, literary, performance, and artistic contributions from hundreds of different Albertan, Canadian, and international creators. All of these proprietary works must be cleared for use through the Copyright Unit. The Unit is responsible for securing licences to use copyrighted elements within ACCESS NETWORK productions, and for the payment of royalties. It also administers agreements with collectives, which included the payment of residual fees to performers, writers, and musicians.

During this reporting period, the Copyright Unit completed *Production's Guide to Copyright*, a comprehensive manual which took one and one-half years to compile. It contains the eight step process to be followed on a project from inception to release. The *Guide* will remain current indefinitely, providing Canadian copyright law does not change. "Request for Clearance" forms, which accompany the *Guide*, streamline the copyright clearance process by making the system more time and cost efficient for both production and copyright.

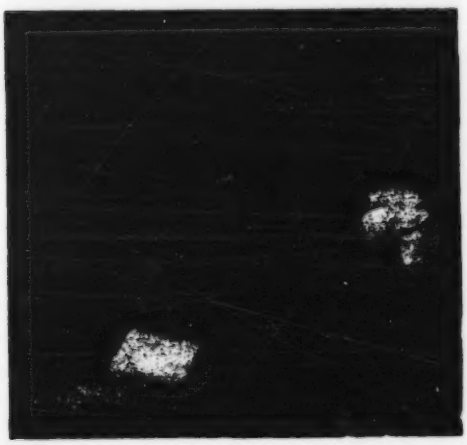
## CREATIVE SERVICES

Creative Service's function within ACCESS NETWORK is to provide the various departments with support in the form of graphic design, layout, paste-up, signage, typesetting, photography, computer graphics, and set design for print and broadcast areas.

Print projects that support programming such as teacher's guides, student readings, marketing catalogues, television and radio schedule guides, information pages, posters, direct mail materials, and advertisements, are produced from concept to finished artwork by the design staff in Creative Services.

The most challenging broadcast project completed during this reporting period was for the series *GRAPHING MATHEMATICAL CONCEPTS*. It required one year for production and involved the completion of nearly 700 graphs and charts on the video effects generator (Chyron). One of the most unique print projects undertaken by Creative Services was for *PATHS OF DEVELOPMENT*, a multi-media kit, comprised of six video programs, on Third-World development. This project, which also took a year to complete, included a *Teacher's Guide*, *Student Readings*, *President's Dossier*, *Teacher's Manual* for the microcomputer-simulation game, and package design for each item.

Detailed information on all projects managed by Creative Services has become more accessible with the help of an Apple computer program which can be used to easily locate artwork, determine costs, and maintain inventory control.



From concept to finished artwork, John Domier, Creative Services Co-ordinator (left), Barb Armstrong, Graphic Artist, and Shane Chen, Graphic Designer, discuss the options.

## PUBLICATIONS UNIT

Formal projects constituted much of the work of the Publications Unit. Two, in particular, necessitated the processing of considerable print material. The multi-media kit on Third-World studies entitled *PATHS OF DEVELOPMENT* involved the production of: for the videotape component, a student book of readings and a *Teacher's Guide*; for the microcomputer-simulation component, a dossier of various informational materials and a *Teacher's Manual*; and, for promotional purposes, six newsletters detailing the work in progress on the series. In the case of UKRAINIAN SOCIAL STUDIES GRADES 1-6, eleven kits, each consisting of from 2-5 audiocassettes and a manual, were created with the assistance of Alberta Education.

In co-operation with other curricular personnel, four support documents were prepared to accompany video series on new courses of study: *DRAMA REFERENCE Guidebook* (elementary grades); *JUNIOR HIGH HEALTH AND PERSONAL LIFE SKILLS IN-SERVICE, 1987*; *SECONDARY PHYSICAL EDUCATION IN-SERVICE MANUAL*; *UKRAINIAN FOLKTALES, Teacher's Guide for Junior High School, 1987*.

Teacher guides were also prepared for Series Three and Four of *HARRIET'S MAGIC HATS*, Series Three of *IT'S UP TO YOU*, and for the *THE KOMAGATA MARU INCIDENT*. Further print resources produced included: *EXPLORING THE INNER FRONTIER*, a learning resource to the television series *THE BRAIN*; a resource booklet for teachers and parents entitled *LEARNING*; and *SMOKING AGAINST YOUR WILL: A Discussion Guide*.

During this reporting period, 11 print-support items were reprinted—some for the third or fourth time.

# RADIO DIVISION

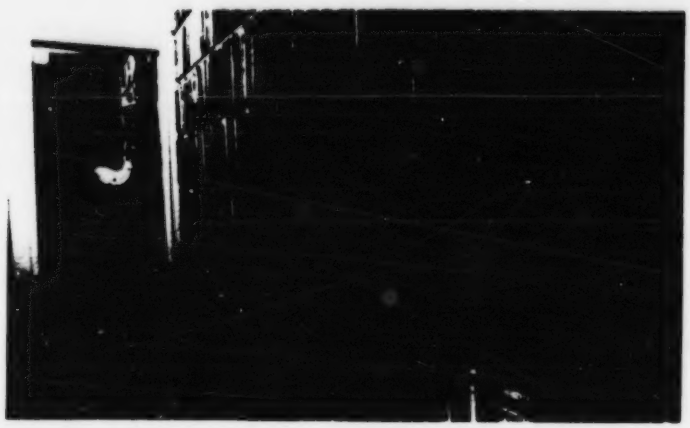
## ACCESS NETWORK CKUA AM•FM

ACCESS NETWORK CKUA AM•FM broadcasts 128 hours of programming per week. The service is delivered by satellite to one AM, one FM Monaural, and 14 FM stereo transmitters located strategically throughout the province. The CKUA broadcast schedule serves the educational and cultural needs of specific audiences, with programming designed for lifelong learning. Formal and informal educational programs are produced and broadcast, along with traditional music, news, and information programs.

With provincial fiscal restraint and a review of the role of CKUA, it was not possible to develop and undertake new initiatives in programming. However, with an internal reallocation of both human and financial resources, CKUA has been able to meet its commitment to the many diverse audiences it has served for years.

In September of 1986, CKUA reached a milestone with *CONTINENTAL MUSICALE* having completed 40 years of continuous broadcast (2,080 programs), qualifying the host and producer, Gaby Haas, for *The Guiness Book of World Records*.

A 60th Anniversary planning committee was formed and, as the first in a number of planned observances, the station sponsored and broadcast the February presentation of the Edmonton Chamber Music Society in celebration of their Silver Jubilee. CKUA also co-sponsored, with Alberta Culture and *Edmonton* and *Calgary Magazines*, the Alberta Short Story competition.



Carol Ann Murray, Librarian, chooses an album from CKUA's library of 50,000 records.

In addition to $1,500 in prize money donated by the station, CKUA produced and broadcast the top three entries on *ARTS ALBERTA*. CKUA was also the media sponsor for the Citadel Theatre's production of *Double Bass*, starring Eric Petersen.

**News and Current Affairs**

In the spring of 1986, the News Department implemented a system to monitor and quantify the regional (Alberta) content in its daily programming, specifically in its major newscasts. CKUA News provided authoritative coverage of the May 8 Alberta general election, culminating with a three-hour live special broadcast on election night. Additionally, in co-operation with the main newsroom, CKUA's Legislative Bureau provided in-depth reporting and live broadcast of provincial budgets brought down in the spring and summer of 1986. The Bureau continued to provide Albertans with comprehensive reporting of political events, including two Alberta throne speeches and daily live coverage of *QUESTION PERIOD* from CKUA's broadcast studio at the Legislature. Three news programs introduced to the schedule were: *TEN O'CLOCK MOUNTAIN TIME*, utilizing a daily news-magazine format; *THE LEADERS*, featuring interviews with leaders of Alberta's political parties; and *ROUND TABLE*, which offered expert panel discussions on important topical issues.

**Programming**

Under the ACTRA agreement, CKUA contracted for 390 performances, 82 scripts, and seven research projects, as it continued to produce both formal and informal projects using contract and in-house talent.

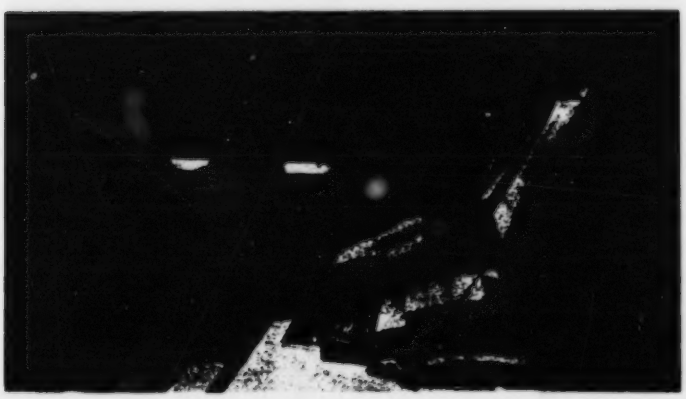
In the area of Formal Education—Youth, English and French projects continued to be developed and produced. The first two Ukrainian-language projects were successfully completed, and an Italian-language series is under development.

A unique Formal Education—Adult project, *PERSONAL CARE AIDE*, produced in co-operation with the Alberta Vocational Centre, was designed to teach Alberta's unskilled nursing home attendants the procedures for patient care. This project of ten 60-minute programs, became the largest audio series to be dubbed by the MRC, with a total of 5,215 cassettes produced for provincial distribution.

There were a number of new informal series introduced to the schedule, including:

*ASK AN ALCOHOLIC*

Produced in co-operation with Alcoholics Anonymous (AA), this series was directly responsible for the marked increase in the number of people seeking information through AA's central office. The success of the first series has resulted in a decision to produce 13 new programs;



Richard Moses, Announcer/Producer (foreground), and Ken Regan, Announcer/Producer News and Public Affairs, broadcasting from CKUA's studio.

*ALBERTA PEOPLE*

A series which introduced our audience to interesting Albertans from all areas of the province and from all walks of life. The people featured ranged from professionals, to artists, to volunteers, with each sharing a common involvement in their respective communities;

*CONFERENCE CALL*

A new teen series, developed to increase awareness and understanding among teenagers from Alberta and around the world. By telephone, students discussed current issues of common interest with their peers in other parts of Canada and in such diverse locations as the United States, Australia, West Germany, and England;

*ARTS ALBERTA*

A number of special features were produced including: volunteerism in the Arts; taxation as it relates to the Arts; health concerns associated with use of toxic art materials; and special broadcasts in support of music festivals around the province;

*EDUCATION TODAY*

In its second season, this series featured reports on The Alberta Teachers' Association conference in Banff; Observation Nursery and its 20th Anniversary in Calgary; a new Calgary computer teaching facility; and interviews with exchange teachers from other countries to discuss peace, education, alcohol and drug abuse, and sexual assault; and,

*ALBERTA AT EXPO*

Alberta's participation at EXPO '86 in Vancouver was featured in this one hour documentary that explored the important cultural aspects of the event, and its importance to Alberta in economic terms.

THE ALBERTA EDUCATIONAL COMMUNICATIONS CORPORATION

# PRIVATE SECTOR SHARES

FOR THE YEAR ENDED MARCH 31, 1987

(unaudited)

| | 1987 | | 1986 | |
|---|---|---|---|---|
| | $ | % | $ | % |
| **Productions:** | | | | |
| Freelancers (scriptwriters, producers, photographers, film editors, consultants, and make-up services) | 1,124,486 | 6.3 | 812,708 | 4.8 |
| External Productions | 252,470 | 1.4 | 355,694 | 2.1 |
| Announcer, Performer, Musician, and Copyright fees | 600,912 | 3.4 | 552,862 | 3.3 |
| Films, Tapes, and Record Purchases | 566,026 | 3.2 | 638,028 | 3.8 |
| Film Processing, Film Lab, and Sound Lab Services | 53,342 | 0.3 | 27,853 | 0.2 |
| | 2,597,236 | 14.6 | 2,387,145 | 14.2 |
| **Acquisitions** | 1,614,621 | 9.1 | 1,371,356 | 8.1 |
| **Broadcast Delivery** | 1,232,455 | 7.0 | 1,348,964 | 8.0 |
| **Information Services:** | | | | |
| External Printing | 253,028 | 1.4 | 152,348 | 0.9 |
| Advertising | 139,005 | .8 | 167,017 | 1.0 |
| | 392,033 | 2.2 | 319,365 | 1.9 |
| **Agency and Professional Services** | 35,982 | 0.2 | 26,643 | 0.2 |
| **Building Rent, Janitorial, and Security Services** | 1,427,735 | 8.0 | 1,425,769 | 8.5 |
| **Other General Expenses*** | 2,241,191 | 12.6 | 2,146,655 | 12.7 |
| **Total Private Sector** | 9,541,253 | 53.7 | 9,025,897 | 53.6 |
| **Total Non-Private Sector**** | 8,211,689 | 46.3 | 7,805,110 | 46.4 |
| **Total Corporate Expenses** | $17,752,942 | 100.0 | $16,831,007 | 100.0 |

*Telephones, Utilities, Office Supplies, etc.

**Largely made-up of Manpower Costs

# FINANCIAL STATEMENTS

## AUDITOR'S REPORT

To the Directors of The Alberta Educational Communications Corporation and the Members of The Alberta Educational Communications Authority

I have examined the balance sheet of The Alberta Educational Communications Corporation as at March 31, 1987 and the statements of revenue, expense and operating equity, equity in fixed assets and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements applied, after giving retroactive effect to the change in the basis of recording capital grants, unexpended capital grants and depreciation as described in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Donald D. Salmon

Edmonton, Alberta
June 12, 1987

C.A.
Auditor General

THE ALBERTA EDUCATIONAL COMMUNICATIONS CORPORATION

# BALANCE SHEET

MARCH 31, 1987

| | 1987 | 1986 |
|---|---|---|
| **ASSETS** | | |
| **Current:** | | |
| Cash | $ 429,945 | $ 1,101,122 |
| Receivables (Note 4) | 282,039 | 367,718 |
| Inventories | 78,628 | 131,653 |
| Prepaid expenses | 5,890 | 141,492 |
| | 796,502 | 1,741,985 |
| **Deferred program costs** (Note 5) | 1,699,022 | 1,568,532 |
| **Fixed assets** (Note 6) | 5,436,877 | 6,621,380 |
| **Long-term licences** (Note 7) | 142,105 | 299,216 |
| | $8,074,506 | $10,231,113 |
| **LIABILITIES AND EQUITY** | | |
| **Current:** | | |
| Payables and accruals | $ 1,591,158 | $ 1,693,946 |
| Unexpended capital grants | 619,101 | 265,931 |
| Deferred revenue | 6,767 | 6,120 |
| Production credits | - | 7,440 |
| Advances on production (Note 8) | 177,080 | 131,168 |
| | 2,394,106 | 2,104,605 |
| **Long-term payables** (Note 5) | 113,409 | 91,597 |
| **Equity** | | |
| Operating | 130,114 | 1,413,531 |
| In fixed assets | 5,436,877 | 6,621,380 |
| | 5,566,991 | 8,034,911 |
| | $8,074,506 | $10,231,113 |

The accompanying notes are part of these financial statements.

THE ALBERTA EDUCATIONAL COMMUNICATIONS CORPORATION

# STATEMENT OF REVENUE, EXPENSE, AND OPERATING EQUITY

FOR THE YEAR ENDED MARCH 31, 1987

| | 1987 | 1986 |
|---|---|---|
| **Revenue:** | | |
| Operating grant from the Province of Alberta | $15,019,000 | $14,860,000 |
| Direct costs recovered on production of programs | 250,460 | 666,140 |
| Revenue from program sales, video and audio dubbing (Note 10) | 738,468 | 694,283 |
| Interest on cash deposits | 239,448 | 386,015 |
| Corporate underwriting | 138,990 | 13,925 |
| Other | 83,159 | 87,065 |
| | 16,469,525 | 16,707,428 |
| **Expense:** | | |
| Development and production | 8,571,274 | 7,598,491 |
| Utilization and distribution | 5,012,622 | 5,249,142 |
| Program support | 4,169,046 | 3,983,374 |
| | 17,752,942 | 16,831,007 |
| **Excess of expense over revenue** | (1,283,417) | (123,579) |
| **Operating equity at beginning of year** | 1,413,531 | 1,537,110 |
| **Operating equity at end of year** | $ 130,114 | $ 1,413,531 |

THE ALBERTA EDUCATIONAL COMMUNICATIONS CORPORATION

# STATEMENT OF EQUITY IN FIXED ASSETS

FOR THE YEAR ENDED MARCH 31, 1987

| | 1987 | 1986 |
|---|---|---|
| **Equity in fixed assets at beginning of year** | **$6,621,380** | $6,680,128 |
| **Add:** | | |
| Unexpended capital grants at beginning of year | **265,931** | 557,014 |
| Capital grant from the Province of Alberta received during year | **1,300,000** | 1,459,000 |
| Unexpended capital grants at end of year | **(619,101)** | (265,931) |
| Proceeds on sale of fixed assets | **78,616** | 29,613 |
| Total funds used to acquire fixed assets | **1,025,446** | 1,779,696 |
| **Deduct:** | | |
| Depreciation and amortization of fixed assets | **2,106,456** | 1,474,446 |
| Disposal of fixed assets | **103,493** | 72,775 |
| Write-off of fixed assets | | 291,223 |
| | **2,209,949** | 1,838,444 |
| **Equity in fixed assets at end of year** | **$5,436,877** | $6,621,380 |

THE ALBERTA EDUCATIONAL COMMUNICATIONS CORPORATION

# STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 1987

| | 1987 | 1986 |
|---|---|---|
| **Operating Activities:** | | |
| Excess of expense over revenue | $ (1,283,417) | $( 123,579) |
| Add (deduct): items not affecting cash: | | |
| Amortization of long-term licences | 98,279 | 83,872 |
| Amortization of deferred program costs | 1,281,769 | 1,128,333 |
| Loss on disposal of long-term licences | 95,317 | - |
| Net changes in non-cash working capital balances relating to operations (Note 11) | 210,637 | (161,797) |
| Cash provided by operations | 402,585 | 926,829 |
| **Investing Activities:** | | |
| Additions to deferred program costs | (1,412,259) | (1,320,941) |
| Additions to fixed assets | (1,025,446) | (1,779,696) |
| Additions to long-term licences | (86,485) | (66,167) |
| Capital grant from the Province of Alberta | 1,300,000 | 1,459,000 |
| Proceeds on sale of fixed assets | 78,616 | 29,613 |
| Proceeds on sale of long-term licences | 50,000 | - |
| Increase (decrease) in long-term payables | 21,812 | (149,707) |
| Cash applied to investing activities | (1,073,762) | (1,827,898) |
| **Decrease in cash** | 671,177 | 901,069 |
| **Cash at beginning of year** | 1,101,122 | 2,002,191 |
| **Cash at end of year** | $ 429,945 | $ 1,101,122 |

## THE ALBERTA EDUCATIONAL COMMUNICATIONS CORPORATION

# NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1987

### Note 1 Authority

The Alberta Educational Communications Corporation operates under the authority of The Alberta Educational Communications Corporation Act, Chapter A-18, Revised Statutes of Alberta 1980, as amended.

### Note 2 Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles except that depreciation and amortization of fixed assets are charged against equity in fixed assets.

#### Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and amortization. An equivalent amount is reported as equity in fixed assets.

Depreciation is calculated using the straight-line method as follows:

| | 1987 | | 1986 | |
|---|---|---|---|---|
| | Years of Useful Life | Salvage Value as % of Cost | Years of Useful Life | Salvage Value as % of Cost |
| Buildings | 30 | - | 30 | - |
| Land improvements | 10 | - | 10 | - |
| Studio and technical equipment | 7 | 5% | 5 | 15% |
| Automotive | 5 | 15% | 3 | 30% |
| Mobile equipment | 7 | 5% | 5 | 15% |
| Furniture, fixtures and office equipment | 7 | 5% | 7 | 15% |

Leasehold improvements are amortized on the straight-line basis over the remaining term of the lease plus one renewal period.

Effective April 1, 1986, the Corporation increased the estimated useful lives of studio and technical equipment, automotive and mobile equipment. In addition, the salvage values for all equipment were reduced. The effect of these changes was to increase 1987 depreciation by approximately $100,000 over what would have been calculated using the previous criteria.

#### Deferred Program Costs

Programs purchased from other agencies are recorded at cost less amortization calculated using diminishing annual rates as a percentage of cost over the period (to a maximum of four years) for which the right to use the program has been acquired.

#### Long-term Licences

The long-term licences are recorded at cost less accumulated amortization.

Amortization is calculated using the straight-line method over a term of twenty years for the broadcast licence and five years for the computer software licence.

#### Inventories

Inventories consist of video and audio tapes and disks and are recorded at the lower of cost and net realizable value.

#### Program Productions

All direct costs of programs developed and produced by the Corporation are charged against operations in the year they are incurred as no significant cost recoveries are normally expected from these programs after the initial year of production and broadcasting.

### Note 3 Change in Accounting Policy

During the year the Corporation retroactively adopted a policy of disclosing equity in fixed assets as a separate component of equity. Whereas depreciation, other charges to fixed assets, and capital grants from the Province of Alberta were previously included in the statement of revenue, expense, and equity, these amounts are now recorded in the statement of equity in fixed assets. The effect of this change was to reduce the excess of expense over revenue from that recorded using the former policy by $831,333 for 1987 (1986 $349,831). In addition, total equity at March 31, 1987, has been reduced by the amount of unexpended capital grants of $619,101 (1986 $265,931).

### Note 4 Receivables

| | 1987 | 1986 |
|---|---|---|
| Trade | $245,349 | $282,167 |
| Accountable advances | 4,310 | 11,900 |
| Other | 32,380 | 73,651 |
| | $282,039 | $367,718 |

### Note 5 Deferred Program Costs and Liabilities

| | 1987 | 1986 |
|---|---|---|
| Cost | $4,153,488 | $2,760,806 |
| Accumulated amortization | 2,454,466 | 1,192,274 |
| Net book value | $1,699,022 | $1,568,532 |
| Total liabilities relating to deferred program costs | $ 452,581 | $ 660,531 |
| Less portion due within one year | 338,172 | 568,934 |
| Long-term payables | $ 113,409 | $ 91,597 |

The liabilities are pursuant to written agreements which provide for interest free payments over a maximum of two years. There are no specific security provisions.

**Note 6 Fixed Assets**

| | 1987 | | | 1986 |
|---|---|---|---|---|
| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Net Book Value |
| Buildings and land improvements | $ 301,998 | $ 121,616 | $ 180,382 | $ 189,594 |
| Studio and technical equipment | 11,051,910 | 7,401,516 | 3,650,394 | 4,533,091 |
| Automotive and mobile equipment | 515,817 | 444,652 | 71,165 | 190,228 |
| Furniture, fixtures, and office equipment | 1,550,663 | 743,061 | 807,602 | 890,670 |
| Leasehold improvements | 1,808,336 | 1,081,002 | 727,334 | 817,797 |
| | $15,228,724 | $9,791,847 | $5,436,877 | $6,621,380 |

**Note 7 Long-term Licences**

| | 1987 | | | 1986 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Broadcast licence | $ 90,000 | $ 34,500 | $ 55,500 | $ 60,000 |
| Computer software licences | 112,345 | 25,740 | 86,605 | 239,216 |
| | $202,345 | $60,240 | $142,105 | $299,216 |

**Note 8 Advances on Production**

Advances are received from educational institutions towards costs of future program production. Production costs relating to these programs are charged against the advances received.

**Note 9 Commitments**

The Corporation had a number of productions in progress at March 31, 1987. The costs for the completion of these productions in progress are estimated at $894,003 (1986 $1,870,000).

The Corporation is committed to aggregate rental payments of $6,168,335 under realty and equipment leases. Minimum annual rental payments during the next five fiscal years are as follows:

| Year | Amount |
|---|---|
| 1988 | $2,098,000 |
| 1989 | 824,000 |
| 1990 | 807,000 |
| 1991 | 794,000 |
| 1992 | 753,000 |

**Note 10 Revenue from Program Sales, Video and Audio Dubbing**

Program sales revenue is generated from the sale of educational television and radio programs to organizations resident outside the Province of Alberta. Revenue from program sales during the fiscal year amounted to $218,086 (1986 $162,634).

Audio and video tape required for the dubbing of programs requested by various educational institutions in Alberta is provided by the Corporation at cost. The tape costs recovered during the year amounted to $330,148 (1986 $370,996).

Other sales revenue in the amount of $190,234 (1986 $160,653) is generated from dubbing services provided, and the distribution of computer diskettes, print materials, multi-media kits, and program brochures.

**Note 11 Net Changes in Non-cash Working Capital Balances Relating to Operations**

| | 1987 | 1986 |
|---|---|---|
| Receivables | $ 85,679 | $ (97,017) |
| Inventories | 53,025 | 11,883 |
| Prepaid expenses | 135,602 | 44,100 |
| Payables and accruals | (102,788) | (4,902) |
| Deferred revenue | 647 | (5,664) |
| Production credits | (7,440) | (5,380) |
| Advances on production | 45,912 | (104,817) |
| | $210,637 | $(161,797) |

**Note 12 Subsequent Event**

Effective April 1, 1987, The Alberta Educational Communications Corporation was approved by Revenue Canada as a registered charitable organization and may now issue income tax receipts for contributions.

**Note 13 Comparative Figures**

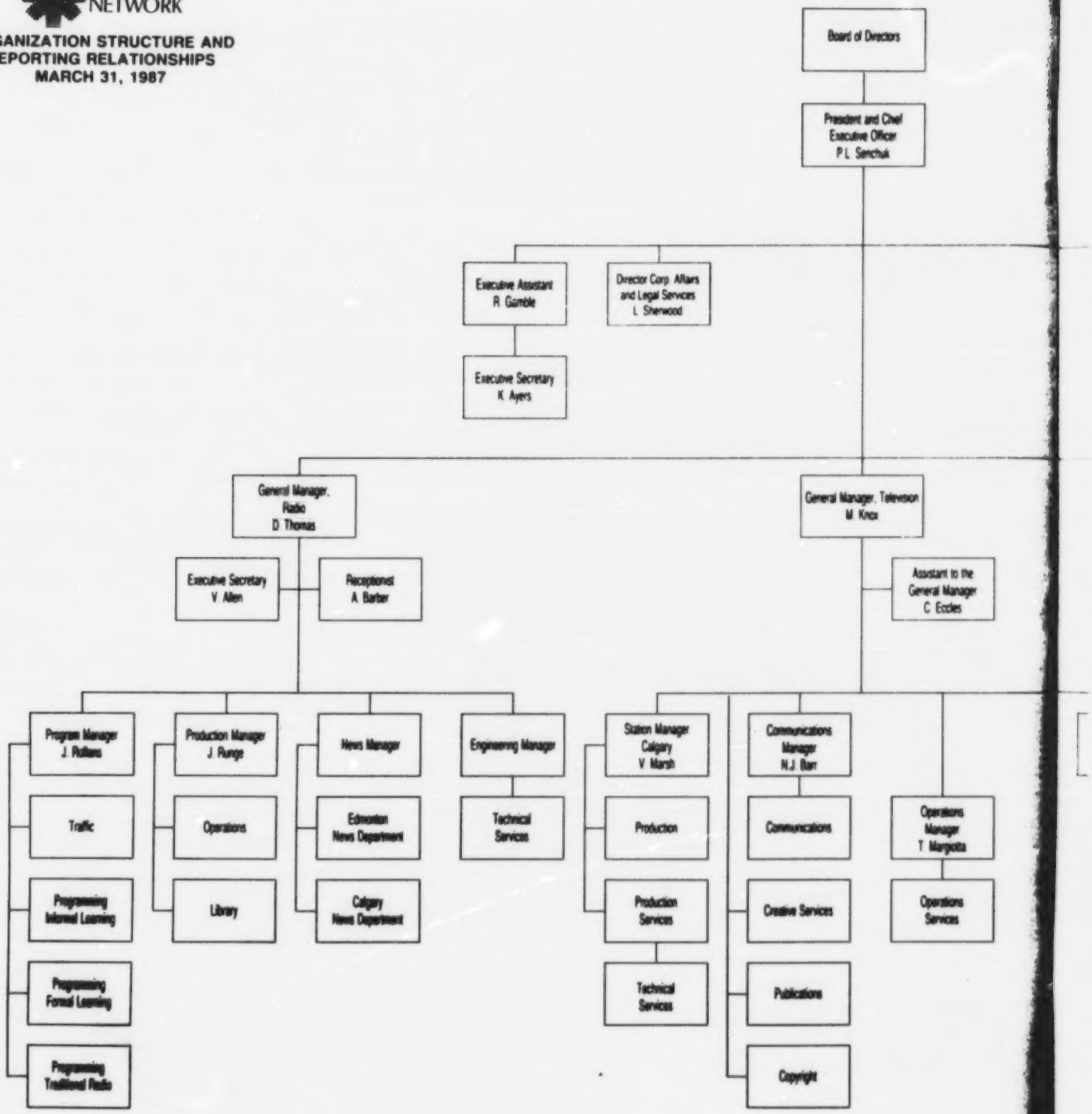
The 1986 figures have been reclassified where necessary to conform to 1987 presentation.

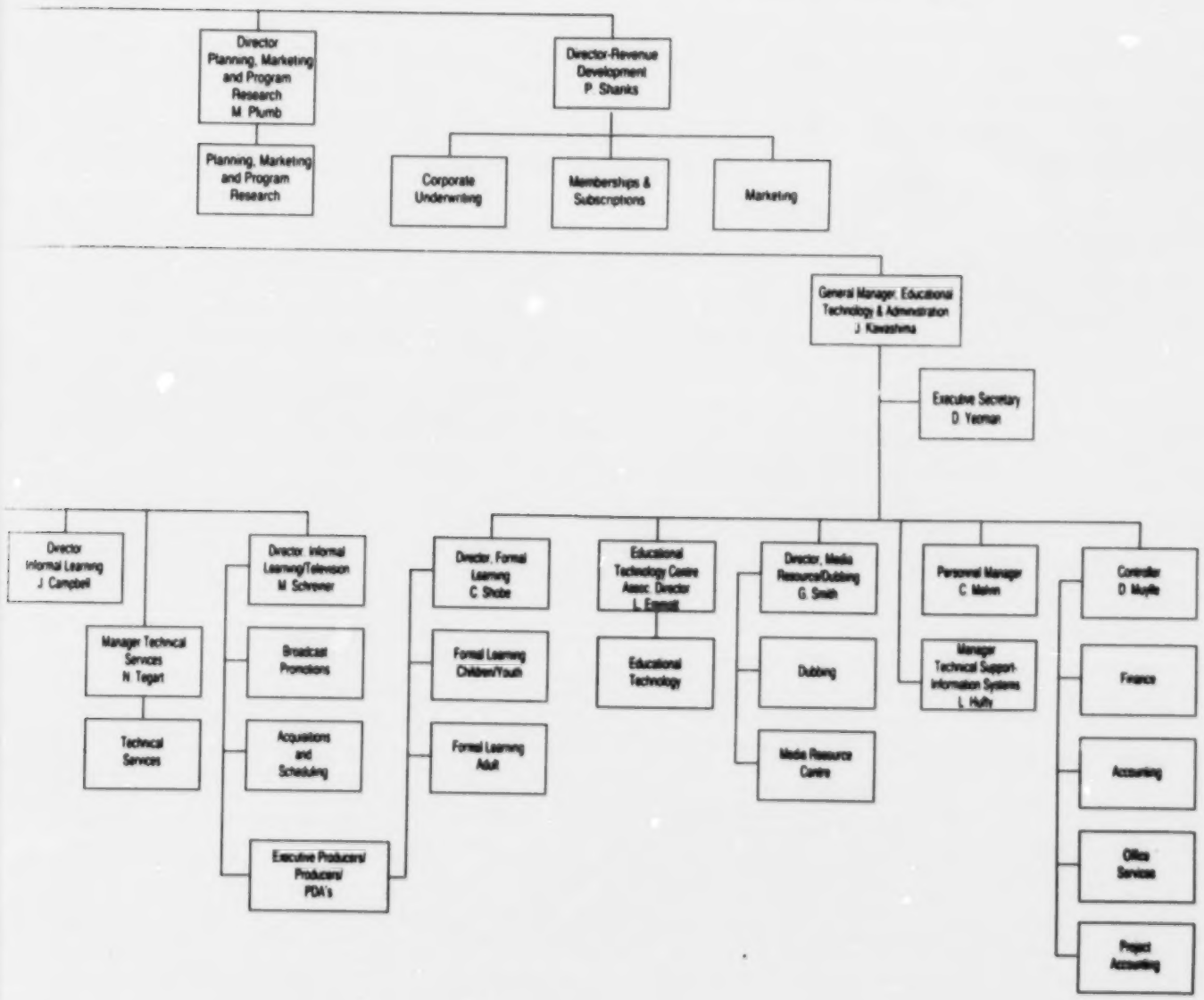
**Note 14 Approval of Financial Statements**

These financial statements were reviewed by management and the Audit Committee and recommended for approval by the Board.

ACCESS NETWORK

**ORGANIZATION STRUCTURE AND REPORTING RELATIONSHIPS MARCH 31, 1987**




Director Planning, Marketing and Program Research M. Plumb
Planning, Marketing and Program Research
Director-Revenue Development P. Shanks
Corporate Underwriting
Memberships & Subscriptions
Marketing
General Manager, Educational Technology & Administration J. Kawashima
Executive Secretary D. Yeoman
Director Informal Learning J. Campbell
Manager Technical Services N. Tegart
Technical Services
Director, Informal Learning/Television M. Schreiner
Broadcast Promotions
Acquisitions and Scheduling
Executive Producers/ Producers/ PDA's
Director, Formal Learning C. Shobe
Formal Learning Children/Youth
Formal Learning Adult
Educational Technology Centre Assoc. Director L. Emmett
Educational Technology
Director, Media Resource/Dubbing G. Smith
Dubbing
Media Resource Centre
Personnel Manager C. Melvin
Manager Technical Support-Information Systems L. Huffy
Controller D. Moyle
Finance
Accounting
Office Services
Project Accounting

Major James A. Walsh in a scene from *WALSH*, an ACCESS NETWORK televised version of Sharon Pollock's historical play, produced by Calgary Production.